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Message Text

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ORIGIN EA-12

INFO OCT-01 ISO-00 EB-08 AID-05 CIAE-00 DODE-00 PM-05
H-01 INR-10 L-03 NSAE-00 NSC-05 PA-01 SP-02
SS-15 ICA-11 TRSE-00 OMB-01 STR-07 COME-00 OIC-02
OPIC-03 AGRE-00 DOE-15 SOE-02 /109 R

DRAFTED BY EA/EP:AGEBER:RC
APPROVED BY EA:RBOAKLEY
EB/OT/GCP:MBAAS
EB/IFD/OIA:MBOERNER(INFO)
EA:EHHEGINBOTHAM
EA/TIMBS:REFRITTS
----------075408 282237Z /12
P R 282140Z JUN 78
FM SECSTATE WASHDC
TO AMEMBASSY BANGKOK PRIORITY
AMEMBASSY JAKARTA
AMEMBASSY KUALA LUMPUR
AMEMBASSY MANILA
AMEMBASSY SINGAPORE
INFO AMEMBASSY TOKYO

C O N F I D E N T I A L STATE 164743

FOR THE AMBASSADOR

E.O. 11652: GDS

TAGS: EGEN, ASEAN

SUBJECT: US-ASEAN DIALOGUE
REFS: A) BANGKOK 17343; B) SINGAPORE 2767; C) MANILA 1O387;
D) JAKARTA 8040

1. REFTELS SUGGEST A WIDE ARRAY OF VIEWS, NOT ALWAYS
CONSISTENT, OF WHAT ASEAN, ITS MEMBRS AND/OR INDIVIDUAL
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KEY REPRESENTATIVES EXPECT FROM THE UPCOMING US-ASEAN
MEETING. FROM THESE AND PREVIOUS MESSAGES WE CONCLUDE
THAT THERE IS A CONTINUING DEGREE OF SKEPTICISM IN CERTAIN
QUARTERS AS TO THE REASONS FOR THE MEETING AND A LACK
OF UNDERSTANDING OF THE DESIRABILITY OF PROMOTING LONG-
TERM STRENGTHENING OF US-ASEAN RELATIONS, INCLUDING
ADVANCES IN SPECIFIC POLICY AREAS DEEMED IMPORTANT BY
ASEAN, THROUGH HIGH-LEVEL CONTACTS IN THE U.S. THIS
MAY BE DUE IN PART TO A LACK OF APPRECIATION OF PROCESSES
BY WHICH USG REACHES DECISIONS ON MAJOR POLICY ISSUES

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(E.G., COMMODITY AND TRADE POLICIES)WITH GLOBAL AS WELL AS REGIONAL IMPLICATIONS, AND OF THE TIME REQUIRED TO DO SO. WE HAVE TRIED TO TELL ASEAN GOVERNMENTS BY A VARIETY OF MEANS HOW IMPORTANT DIRECT, TOP-LEVEL CONTACT WITH BOTH EXECUTIVE BRANCH AND CONGRESS IS IN SUCH PROCESSES, BUT THE MESSAGE HAS BEEN HARD TO GET

ACROSS. WE BELIEVE ADDITIONAL EFFORTS ON BOTH THE GENERAL AND SPECIFIC ASPECTS OF MEETING ARE CALLED FOR IN THE COMING WEEK IN ORDER TO CLARIFY MISINTERPRETATIONS OF OUR INTENTIONS AND TO STIMULATE MORE ACTIVE, COOPERATIVE ASEAN PREPARATIONS. WE ALSO WISH TO ENGAGE ASEAN LEADERS IN SHARING RESPONSIBILITY FOR ACHIEVING A SUCCESSFUL MINISTERIAL.

2. I SUGGEST THAT EACH OF OUR ASEAN AMBASSADORS SEEK EARLY MEETINGS WITH KEY MINISTERS TO EMPHASIZE THE FOLLOWING POINTS, WITH SUCH LOCAL VARIATIONS IN STRESS AS BEST FIT ATTITUDES IN YOUR PARTICULAR COUNTRY.

3. THE U.S. IS FULLY DEVOTED TO HOLDING A MEANINGFUL MINISTERIAL DIALOGUE ON ISSUES OF UPPERMOST CONCERN TO BOTH ASEAN AND THE U.S. WE WANT ASEAN LEADERS TO HAVE CONFIDENTIAL

FULLEST OPPORTUNITY TO MAKE THEIR CASE TO TOP U.S. LEADERS OF BOTH THE EXECUTIVE AND THE CONGRESS ON COMMON FUND, COMMODITY STABILIZATION, IMPROVED MARKET ACCESS AND OTHER KEY AGENDA TOPICS. IN SOME AREAS IMPORTANT DIFFERENCES IN OUR EXISTING VIEWS AND CONFLICTS BETWEEN U.S. GLOBAL POLICIES/INTERESTS AND REGIONAL POLICIES/INTERESTS AND BETWEEN ASEAN'S NARROWER INTERESTS AND BROADER ONES OF G-77 WILL LIMIT HOW MUCH AGREEMENT THE MINISTERIAL CAN ACHIEVE. HOWEVER, IN MANY AREAS, REAL OPPORTUNITIES EXIST FOR THE MINISTERIAL TO PRODUCE CONCRETE RESULTS AND TO LAY THE GROUNDWORK FOR CLOSER COOPERATION, THUS WIDENING AND DEEPENING DIMENSIONS OF THE ASEAN-U.S. DIALOGUE.

4. IN SEPTEL WE ARE FORWARDING REVISED DRAFT AGENDA TO BE COMMUNICATED FIRST TO GOP BUT OTHERS SHOULD FEEL FREE TO DRAW ON IT. AGENDA AS NOW FORMUALTED TAKES INTO ACCOUNT ASEAN RECOMMENDATIONS IN A WAY THAT ALLOWS PRESENCE OF KEY US PARTICIPANTS. WE STILL FEEL THAT AGENDA FULLY REFLECTS OUR INTENTIONS OF HAVING A MEANINGFUL MEETING BOTH IN TERMS OF ITS CONSULTATIVE CONTENT AND ON SUBJECTS ON WHICH WE CAN MOVE US-ASEAN COOPERATION AHEAD. ITEM 5., FIRST SUBSTANTIVE AGENDA ITEM, IS PHRASED IN MOST GENERAL TERMS SO AS TO ALLOW MINISTERS AND PARTICULARLY FOREIGN MINISTERS TO RAISE ANY ISSUES WITH THE SECRETARY. STILL, WE ASSUME THAT ASEAN WISHES TO MAINTAIN THE APPEARANCE OF THE MEETING AS

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FULLY CONSONANT WITH THE FORMAL US-ASEAN RELATIONSHIP
WHICH IS ENTIRELY ECONOMIC. WE INTEND TO COMPLY WITH
ASEAN'S WISHES AND WHILE WE ARE PREPARED TO DISCUSS ANY
ISSUES ASEAN WISHES TO RAISE, POSSIBLY IN PRIVATE OR

RESTRICTED MEETINGS, WE WISH TO AVOID APPEARANCE OF US
POLITICAL INVOLVEMENT. IN THIS WAY ASEAN-US MEETING
WILL BE DIFFERENT FROM RECENT MEETING OF JAPANESE FOREIGN
MINISTER SONODA WITH ASEAN FOREIGN MINISTERS. THEREFORE,
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PRESENCE OF ECONOMIC MINISTERS IS IMPORTANT BOTH FROM
POINT OF VIEW OF SUBSTANCE AS WELL AS SYMBOLISM OF MEETING.
IT IS THEREFORE REQUESTED THAT YOU DISCUSS CONTENTS
OF THIS MESSAGE WITH ECONOMIC MINISTERS (AS WELL AS
FOREIGN MINISTERS) AND ENCOURAGE AND IF POSSIBLE
ASCERTAIN THEIR PARTICIPATION.

5. WE RECOGNIZE THAT AS REGARDS "CONCRETE RESULTS" SOME
ASEAN CIRCLES ATTACH GREATER IMPORTANCE TO TRADE AND
COMMODITY ISSUES THAN TO DEVELOPMENT COOPERATION,
PARTICULARLY GIVEN THEIR RECOGNITION THAT MASSIVE AID
FROM THE U.S. LIKE THE JAPANESE OFFER OF 1 BILLION
DOLLARS IS NOT IN THE CARDS. NEVERTHELESS, THE PROCESS
OF DEVELOPMENT COOPERATION ON WHICH WE ARE TO EMBARK
COULD BE OF SIGNIFICANT BENEFIT TO ASEAN MEMBERS
INDIVIDUALLY AND COLLECTIVELY IN DEVELOPMENT FIELD,
NOT SO MUCH IN TOTAL DOLLAR VALUE BUT IN THE NEW APPROACHES
WHICH COULD OPEN UP TO RESOLUTION OF LONG-STANDING PRO-
BLEMS, SUCH AS AGRICULTURAL PLANNING, CROP PROTECTION,
REMOTE SENSING, ENVIRONMENTAL DEGREDATION, RENEWABLE
SOURCES OF ENERGY, ETC. WE ARE LOOKING FORWARD TO
THE MEETINGS OF THE DEVELOPMENT COOPERATION WORKING
GROUP IN MANILA IN JULY TO SIGNIFICANTLY ADVANCE COOPERA-
TION IN SOME OF THESE FIELDS. MOREOVER, ASEAN MAY WELL
BE REMINDED THAT AT THE FIRST MANILA MEETING ASEAN
PLACED GREAT STRESS ON THESE AND THAT IN FACT "DEVELOP-
MENT COOPERATION" WAS THE ONE GENERAL HEADING PLACED
UPON THE AGENDA AT THE BEHEST OF ASEAN.

6. ANOTHER IMPORTANT AREA IS THAT OF INVESTMENT FACILI-
TATION, SOMETHING UPON WHICH ALL ASEAN GOVERNMENTS
HAVE PLACED GREAT EMPHASIS IN BILATERAL TALKS WITH USG.
IN THIS AREA, WE HOPE TO BE IN A POSITION TO MAKE
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A VERY POSITIVE RESPONSE IN ANNOUNCING AN OPIC INVEST-
MENT MISSION, AND MOVING THE ESTABLISHMENT OF AN ASEAN-
US BUSINESS COUNCIL FORWARD. DIRECT ASEAN CONTACT
WITH U.S. PRIVATE SECTOR, WITH USG SUPPORT, IS BEST

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MEANS OF ATTRACTING INVESTMENT ASEAN SEEMS TO WANT.

7. AT THE MINISTERIAL WE ALSO PLAN TO EXPRESS INTEREST IN ASEAN'S PLANS FOR AGRICULTURAL DEVELOPMENT, SPECIFICALLY IN THEIR PROPOSED RICE RESERVE SCHEME, AND OFFER TECHNICAL ASSISTANCE IN DEVELOPING SUCH A SCHEME. WE INTEND TO REPEAT THE OFFER MADE BY THE VICE-PRESIDENT TO ESTABLISH A FORMAL CONSULTATIVE MECHANISM TO FACILITATE MORE EXTENSIVE ENERGY COOPERATION WITH ASEAN. WE ALSO HAVE IN MIND TO PROPOSE SOME SIMILAR ARRANGEMENTS FOR COOPERATION IN THE FIELD OF SCIENCE AND TECHNOLOGY AND LASTLY WE HAVE A PROPOSAL FOR AN EXPANDED CULTURAL AND EDUCATIONAL EXCHANGE PROGRAM. WE HOPE TO BE ABLE TO DISCUSS THESE PROPOSALS IN SOMEWHAT GREATER DETAIL WITH THE PHILIPPINE COORDINATOR IN MID-JULY. WE RECOGNIZE THAT MANY OF THESE SUGGESTIONS ARE IN THE FIRST INSTANCE FOR THE ESTABLISHMENT OF A MACHINERY FOR CLOSER AND MORE TECHNICAL CONSULTATIONS IN THESE FIELDS BUT THEY ARE A NECESSARY FIRST STEP IN LAYING THE GROUNDWORK FOR THE WIDENING AND DEEPENING OF THE ASEAN - US COOPERATIVE RELATIONSHIP.

8. WE REQUEST THAT EMBASSIES URGENTLY INFORM APPROPRIATE HOST GOVERNMENT OFFICIALS OF US VIEWS REGARDING TRADE. THE UNITED STATES REMAINS THE LARGEST MARKET FOR ASEAN EXPORTS AND ASEAN COUNTRIES ENJOY BROAD ACCESS TO OUR MARKET. ALTHOUGH ECONOMIC PRESSURES WERE SEVERE DURING THESE LAST FEW YEARS, US HAS TAKEN NO RESTRICTIVE MEASURES WHICH HAVE SERIOUSLY AFFECTED ASEAN EXPORTS TO THE US. IN FACT, ASEAN AS A WHOLE AND ALL BUT SINGAPORE AND THAILAND HAVE HAD AN INCREASING TRADE SURPLUS WITH THE US. IMPORTS OF MANUFACTURED PRODUCTS FROM ASEAN
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HAVE ALSO INCREASED.

9. THE US HAS MADE A SUBSTANTIAL OFFER IN THE MTN, OFFERING SIGNIFICANT CUTS ON A LARGE NUMBER OF PRODUCTS OF TRADE INTEREST TO THE ASEAN COUNTRIES. IN TABLING ITS OFFER, THE US TOOK INTO ACCOUNT REQUESTS FROM ASEAN AND OTHER DEVELOPING COUNTRIES AND WE BELIEVE OUR OFFER IS RESPONSIVE TO THESE REQUESTS. HOWEVER, WE ARE WILLING TO NEGOTIATE AND CONSIDER ADDING OTHER PRODUCTS OF INTEREST TO ASEAN AND MAKING DEEPER CUTS THAN WE HAVE ALREADY OFFERED. THE US DEMONSTRATED ITS WILLINGNESS TO NEGOTIATE BY SENDING AN MTN MISSION TO THE ASEAN SENIOR TRADE OFFICIALS MEETING IN SINGAPORE IN APRIL AS WELL AS THROUGH PERIODIC BILATERAL DISCUSSIONS IN GENEVA WITH ASEAN COUNTRIES. HOWEVER, IT TAKES TWO PARTIES TO HAVE A NEGOTIATION.

WHILE WE DO NOT INSIST ON RECIPROCITY, WE DO INSIST ON

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CONTRIBUTIONS FROM THE ASEAN COUNTRIES IN LIGHT OF THEIR TRADE, FINANCIAL AND DEVELOPMENT NEEDS, AND THUS HAVE SUBMITTED REQUESTS TO EACH ASEAN COUNTRY. WHEREAS THE US OFFER HAS BEEN ON THE TABLE SINCE JANUARY, WE AS YET DO NOT HAVE MEANINGFUL OFFERS IN WRITING FROM ALL ASEAN COUNTRIES IN RESPONSE TO THESE REQUESTS. IF WE ARE TO MAINTAIN, MUCH LESS IMPROVE OUR OFFER TO THEM, WE NEED WRITTEN OFFER IMMEDIATELY FROM ASEAN COUNTRIES THAT HAVE NOT YET PROVIDED THEM. SINCE THE GOAL IS TO COMPLETE THE MTN BY JULY 15, THERE IS VERY LITTLE TIME REMAINING TO BRING NEGOTIATIONS TO A CONCLUSION.
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Message Attributes

Automatic Decaptioning: X
Capture Date: 26 sep 1999
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: ECONOMIC COOPERATION, PLANNING MEETINGS, RELATIONS WITH REGIONAL ORGS
Control Number: n/a
Copy: SINGLE
Draft Date: 28 jun 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 20 Mar 2014
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1978STATE164743
Document Source: ADS
Document Unique ID: 00
Drafter: EA/EP:AGEBER:RC
Enclosure: n/a
Executive Order: 11652 GDS
Errors: n/a
Expiration:
Film Number: D780268-0317
Format: TEL
From: STATE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1978/newtext/t197806115/baaaezby.tel
Line Count: 232
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, TEXT ON MICROFILM
Message ID: af334f7e-c288-dd11-92da-001cc4696bcc
Office: ORIGIN EA
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 5
Previous Channel Indicators:
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: A) BANGKOK 17343; B) SINGAPORE 2767; C) MANILA 1O387; D) JAKARTA 8040
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 30 apr 2005
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 2178373
Secure: OPEN
Status: NATIVE
Subject: US-ASEAN DIALOGUE
TAGS: EGEN, PORG, US, ASEAN
To: BANGKOK JAKARTA MULTIPLE
Type: TE
vdkvgwkey: odbc://SAS/SAS.dbo.SAS_Docs/af334f7e-c288-dd11-92da-001cc4696bcc
Review Markings:
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Declassified/Released
US Department of State
EO Systematic Review
20 Mar 2014
Markings: Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014

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